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1. In early 1950 all independent economic organizations attached to official DRV services were disbanded and incorporated in one central bureau, the Commercial Exchange (lo quan mau-dich).<sup>1</sup> However, several private commercial and industrial cooperatives work for the Commercial Exchange on a commission basis.

2. The DRV has instituted a system whereby poor farmers may buy back lands formerly "loaned" to the DRV Government at a nominal price. Prior to the installation of the DRV Government, the peasants were exploited through a system known as "provisional sale" of land which forced them to sell property at about half the actual value of the land. Since the peasant was usually insolvent, it was rare that he was ever able to buy it back. The DRV is now permitting the peasants to repurchase land lost in this manner at about 400 times less than the price at which it was "loaned". These measures have been extremely popular with the peasants, without provoking any significant reaction among the landowners.
3. Additional measures taken to win the support of the poor farmers have been the organization of unions (tap doan lao cong) supported by the local Administrative Committees and the readjustment of salaries. The landowners against whom these measures are aimed, have reacted by forming Democratic unions (tap dona dan chu), Catholic unions (tap doan lao cong giao) and Buddhist unions (tap dona lao cong phat giao), designed to regulate questions of salaries and property rents amicably between proprietors and tenant farmers without government interference.

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Agricultural Tax

4. At present, proprietors and tenant farmers divide each harvest evenly. Seed is always provided by the proprietor. Both must pay the agricultural tax, but the proprietor is forced to pay this tax at the rate of 125 percent of his revenue because of the "unjust" advantages enjoyed by the proprietor under the French regime.
5. The agricultural tax is calculated on the basis both on production and consumption, thus effecting all segment of the population. In spite of DRV meetings held to justify these taxes, they are considered exorbitant even by the agricultural cadres. The Catholics have been the most affected and the most recalcitrant in paying since Church land is being taxed as personal property.
6. Individual tax assessment are fixed at "local people's meetings" in each village and are collected by the local Administrative Committee. Taxes collected in the form of paddy are placed in private storehouses in the villages. The public granaries built at Thanh Hoa have been largely destroyed by bombing.
7. As a result of high taxes, the high cost of labor and the relatively low price of land, individuals are unable to amass any large personal surplus of rice. Each farmer can cultivate a maximum of five mau of paddy (one mau equals 3,600 square meters). As an example of the low price of land, a plot of 36 mau recently sold for three taels of gold (9,000 Indochinese piasters). Farm hands are paid in land at the rate of one or two sao (1/10 mau) every three months.

Land Redistribution

8. There has been no large-scale redistribution of land in the Phu Quy area of Nghe An Province. Land belonging to former residents of the area who are now working for the Bao Dai Government are confiscated but land belonging to individuals living in French zones but not actively participating in the government are "borrowed provisionally". These lands are cultivated communally by student groups and other organizations and the harvests become the property of the State. Wounded "heroes" are allotted gifts of land from the village property (cong tho) and confiscated property.

Current Stand of Crops

9. The 1952 harvests in Nghe An Province have been normal. In Thanh Hoa Province, however, the bombing of the Ban Thach dams in early June 1952 has placed the area in danger of drought. The Bai Thuong area is also in danger because of bombing. Taxes have not yet been collected for the May harvest of 1952, but a provisional loan amounting to three-fourths of the tax has been declared.
10. Taxes are not levied on stock farmers. However, a tax of 15 percent must be paid on the sale of cattle.

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1.   Comment. Because of a shortage of transport facilities, the Commercial Exchange for Interzone IV probably is not engaged in collecting food for transport to Communist China.

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